



ITEM ID: 2025-375-0

TRANSMITTAL DATE: December 5, 2025

MEETING DATE: December 12, 2025

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: FY2025-26 Preliminary Working Capital Fund Report, Quarter Ending September 30, 2025

Issue

SCRRA Working Capital Fund Policy, FIN 9.7, as well as executed Member Agency MOUs related thereto, require quarterly reporting of Working Capital Fund (WCF) activity to the SCRRA Board of Directors. While the Policy has not yet been fully implemented, quarterly reports shall be provided going forward in the interest of transparency. This quarterly report shall be expanded to include activity relating to the use and repayment of the WCF when formal implementation of the Policy and the Standard Operating Procedures has occurred.

It is anticipated that advance and repayment transactions under the WCF will commence in Q2 FY26.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair, investing in the development of our employees and maintaining fiscal sustainability.

Background

In April of 2024, the SCRRA Board of Directors approved the establishment of the \$50 million Working Capital Fund (WCF). Pursuant to the Policy, the Working Capital Fund goal shall be to begin a separation of Operating and Capital Funds, and to provide liquidity to fund the reimbursement cycle for grant-funded Capital Programs. Usage of the funds is limited under the Policy to advance fund reimbursable expenses for capital projects for which grants have been awarded. Given the volume of capital activity, the Working Capital Fund will likely need to be increased in the future in order to fully separate Operating funds from Capital Funds.

Discussion

Member Agencies were invoiced for their respective WCF allocation deposits, based upon Track Miles Owned, in June of 2024. \$50,000,000 has been collected and deposited in a segregated money market demand account at U.S. Bank specifically established for this purpose. Funds in this account are not commingled with operating funds, nor are they used for the payment of advance-funded capital projects (typically referred to as TPAs) or for SCRRA operations or operating projects.

Total interest earned for FY25 of \$994,617.90 was paid out to Member Agencies in August of 2025. Interest earned for Q1 FY26 was \$424,703.55. Further details of interest earned have been provided in Attachment A. By policy, interest is paid out to Member Agencies within 90 days after the conclusion of each fiscal year.

The WCF ending balance as of September 30, 2025, was \$50,424,703.55.

Next Steps

The Working Capital Fund report for the quarter ended December 31, 2025, will be provided in March of 2026.

Prepared by: Vivien Avella, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - Working Capital Interest Presentation - Q1 FY26 Working Capital Fund Report](#)